

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	CC Docket No. 02-53
Presubscribed Interexchange Carrier Changes)	CCB/CPD 01-12
)	RM No. 10131
)	

COMMENTS OF CINCINNATI BELL TELEPHONE COMPANY

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Cincinnati Bell Telephone Company (“CBT”) submits these comments in response to the Order and Notice of Proposed Rulemaking released by the Commission on March 20, 2002, and published in the Federal Register on May 15, 2002.¹ In the Order and NPRM, the Commission granted the Petition for Rulemaking filed by the Competitive Telecommunications Association (“CompTel”) on May 16, 2001.² The decision to grant the petition was based on the Commission’s conclusion that it was appropriate to reexamine the existing \$5 safe harbor for presubscribed interexchange carrier changes (“PIC changes”) given the industry and market changes that had occurred since the implementation of the safe harbor in 1984.³ In light of this finding, the Commission seeks comment on a variety of issues related to the establishment of a reasonable PIC-change charge and the Commission’s policies for regulating PIC-change charges in today’s telecommunications market. For the reasons set forth in CBT’s comments to this proceeding filed on June 18, 2001, incorporated herein by reference, and as further set forth below, CBT submits that the Commission should reaffirm its earlier decisions with respect to the reasonableness of the \$5 safe harbor for PIC-change charges.

¹ *In the Matter of Presubscribed Interexchange Carrier Charges*, CC Docket No. 02-53, CCB/CPD File No. 01-12, RM-10131; Federal Register, Vol. 67, No. 94, Wednesday, May 15, 2002. (“Order and NPRM”)

² See CompTel Petition for Rulemaking filed May 16, 2001; CompTel files Petition for Rulemaking Re:

Presubscribed Interexchange Carrier Charges, Public Notice, DA 01-1299, RM No. 10131, released May 25, 2001.

³ Order and NPRM at ¶1.

BACKGROUND

CBT is an independent, mid-size local exchange carrier with its headquarters in Cincinnati, Ohio. CBT's serves customers throughout the greater Cincinnati metropolitan area, including portions of Northern Kentucky and a small number of customers in Indiana. CBT is a wholly owned subsidiary of Broadwing Inc.

DISCUSSION

As explained more fully below, CBT submits that the Commission should continue to apply a cost-based standard for PIC-change charges. CBT further submits that the \$5 safe harbor continues to be reasonable in light of ILEC costs.

As the Commission stated in its 1984 Access Tariff Order, “[a] presubscription charge that covers the unbundled costs of a subscription [PIC] change would be reasonable.”⁴ Based on an analysis of carrier costs, the Commission then concluded that a charge of \$5 per change “would reflect *some* cost recovery and would not pose a barrier to competitive entry or exercise of customer choice.”⁵ (emphasis added) This conclusion, including the fact that the \$5 charge did not purport to recover *all* costs for PIC changes, continues to be relevant. ILECs who perform PIC-changes on behalf of end-user subscribers incur costs in maintaining and supporting *both* the automated PIC-change process through the Customer Account Record Exchange (“CARE”) system *and* the manual PIC-change process implicated for certain types of accounts and for customer-initiated PIC changes. Given the fixed nature of many of the costs associated with operating and maintaining both PIC-change processes, it is reasonable for the Commission to continue to rely on a cost-based standard to enable ILECs to recover the costs associated with the PIC-change requests.

⁴ *Investigation of Access and Divestiture Related Tariffs*, CC Docket 83-1145, Phase I, Memorandum Opinion and Order, 55 Rad. Reg 2d (P&F) 1422. App. B at 13-5 (Apr. 27, 1984). (“1984 Access Tariff Order”)

⁵ *Id.*

As indicated above, CBT must maintain *both* the CARE and the manual or business office processes for changing end-user subscribers' PICs. To better demonstrate the need for CBT to maintain both processes, a high-level overview/flow chart of CBT's PIC change process is attached hereto as Appendix A.

As depicted in the diagram at #2, many PIC-change requests are submitted to CBT from interexchange carriers ("IXCs"). This is the automated process by which an end-user's PIC is changed by use of the CARE system. In order for a PIC-change request to flow through the CARE systems uninterrupted, however, the submitting IXC must first accurately populate each of the record fields interpreted by the CARE system. If there is an error in the submission, e.g. if one field contains information that is inaccurate, the request will "fall out" and the submitting IXC will automatically be sent a notice that the request has been rejected. (Diagram at #4) For fully automated flow through, the end-user's account must also be "accessible" to an automatic PIC-change request by an IXC. In other words, the customer cannot have requested that CBT to place a PIC-freeze on the account to prevent unauthorized changes to the end-user's PIC. If there is a PIC-freeze on the account, the request will be rejected by CARE and the submitting IXC will automatically be sent a PIC-freeze reject notice. In CBT's experience, PIC-change requests that IXCs submit for residential and simple business lines (assuming there is not a PIC-freeze on the account) are generally accurate and do flow through the CARE system uninterrupted. According to CBT's data for the year May 2001 through May 2002, however, these fully automated PIC-change requests account for only about 40% of the total number of PIC-change requests processed by CBT during the period.

CBT's figures for the year May 2001 through May 2002, therefore, indicate that the majority, or approximately 60%, of PIC changes completed during the period were processed through CBT's manual/business office procedures. Of that 60%, some of the requests were

actually those that were initially rejected or that “fell out” of the automated CARE process. For example, CBT’s records indicate that approximately 9.4% of the total number of PIC changes processed from May 2001 to May 2002 were initially rejected by CARE because of a PIC-freeze on the account. Once an IXC receives a PIC-freeze reject from CARE, the PIC change is generally processed through CBT’s business office procedures when either the customer calls to lift the PIC-freeze or the IXC initiates a three-way call with the customer and CBT to lift the PIC-freeze and request a change. Thus, approximately 9.4% of the PIC-changes processed by CBT from May 2001 through May 2002 were actually “touched” twice by CBT—first by CARE and then by CBT personnel who enter the request manually at the business office.

In addition to requests involving PIC-freezes, there are other types of PIC-change requests that must be processed manually by CBT. First, there are PIC-change requests that are made directly to CBT’s business office by end-users that are entered into CBT’s ordering and provisioning systems by customer service personnel. (Diagram at #1) Second, there are a number of specialized services for which PIC-changes cannot be processed through CARE at all, i.e. more complicated accounts including services for hunt lines, digital trunking, Centrex, ISDN-BRI and ISDN-PRI, to name a few. Service orders for PIC changes on such accounts must, therefore, be manually entered by CBT personnel. (Diagram at #1) Finally, there are PIC-change requests that, for a variety of reasons, fall out of the ordering and provisioning systems and that require manual intervention by CBT personnel to correct the service order/request and redistribute it for flow through to the back end of CARE. (Diagram at #6) Thus, CBT incurs the costs of manually processing requests for complicated accounts as well as correcting and redistributing requests that fall out for error, often at several separate phases of the ordering and provisioning processes. CBT accounts for these many costs in establishing a single, indiscriminately applied PIC-change charge for all PIC changes.

Finally, CBT reiterates its contention that the Commission should take into account the differences among LECs in reviewing of the reasonableness of the \$5 safe harbor. Carriers such as CBT do not have the economies of scale and the broad subscriber bases of the largest ILECs. Thus, the costs associated with operating and maintaining both the automated and manual/business office PIC-change processes must be recovered from a fewer number of processed PIC-change requests. For this reason, even if the Commission determines that the \$5 safe harbor is unreasonable for the largest ILECs, CBT urges the Commission to reaffirm the reasonableness of the \$5 safe harbor with respect to small and mid-sized carriers.

CONCLUSION

As demonstrated above, the majority of PIC-change requests that CBT processes are not fully automated as suggested by CompTel and other parties to this proceeding. CBT incurs the costs of operating and maintaining *both* the CARE and the manual/business office processes for PIC-change requests and should be permitted to recover its costs in doing so. CBT, therefore, urges the Commission reaffirm its earlier decisions as to the reasonableness of the \$5 safe harbor for PIC-change charges.

Respectfully submitted,

Cincinnati Bell Telephone

/s/ Ann Jouett Kinney

Ann Jouett Kinney

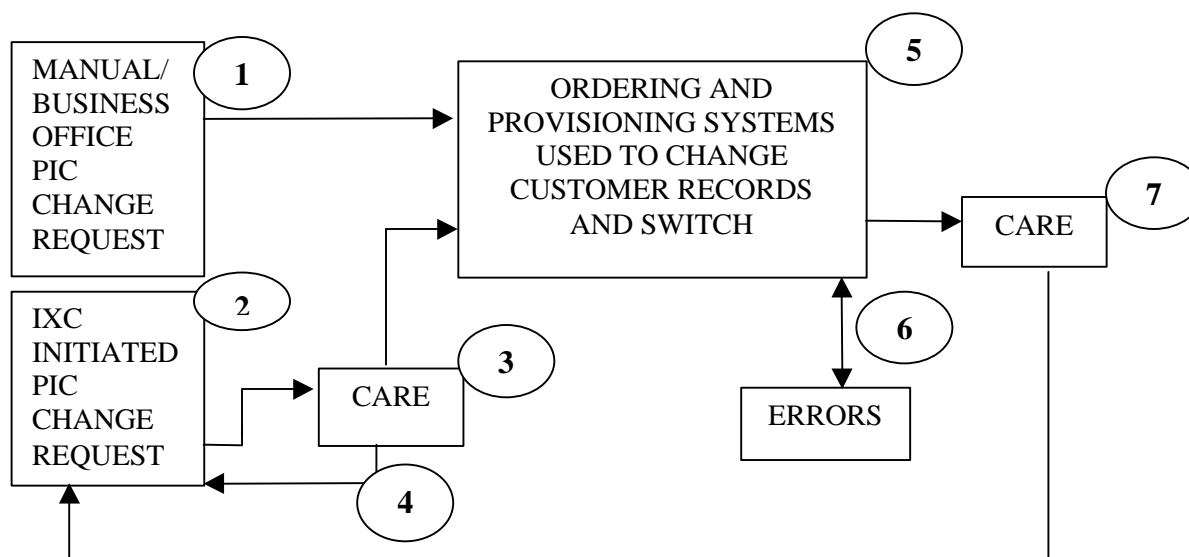
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June 14, 2002

PIC CHANGE REQUEST PROCESS FLOW

1. End user customers request a PIC change via the CBT Customer Service Office (“business office”). PIC-change requests are taken by customer service representatives and service orders are manually entered in order for the PIC to be changed.
2. IXC’s submit requests for PIC changes via Network Data Mover (“NDM”), Tape, or Internet. NDM orders flow to the CARE System and proceed to the Ordering and Provisioning Systems automatically unless there is an error. Tape and Internet orders must be manually loaded so they can be read into the CARE Systems before they flow through to the Ordering and Provisioning Systems.
3. The CARE Systems require a full time maintenance programmer to ensure accuracy, resolve conflicts, and maintain systems and processes in accordance with industry standards.
4. If the IXC does not populate the CARE record fields accurately, the request will “fall out” and the submitting IXC will automatically be sent a notice that the request has been rejected and the reason for the reject.
5. CBT’s Ordering and Provisioning systems are comprised of many separate systems that are necessary to change end-user records and to update the switch with the new PIC information.
6. Errors that fall out at any stage of the process flows must be diagnosed, manually corrected, and redistributed for completion through the back end of CARE.
7. The back end CARE System communicates with the IXC’s via NDM, Tape, and paper reports. NDM carrier data flows automatically unless errors occur. Tapes require mounting, dismounting, and mailing by CBT personnel. Paper reports must be printed, separated by carrier, packaged and mailed by CBT personnel.

CERTIFICATE OF SERVICE

It is hereby certified that true and accurate copies of the foregoing comments of Cincinnati Bell Telephone Company were served on the individuals identified in the Service List below by first-class U.S. mail, postage prepaid, this 14th day of June 2002.

/s/ Thomasina Wooldridge
Thomasina Wooldridge

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